



## **NOTICE AND AGENDA Commission Meeting<sup>1</sup>**

California Fair Political Practices Commission  
1102 Q Street, Suite 3800  
Sacramento, CA 95811

Thursday, February 20, 2020  
10:00 A.M.

Under Government Code section 11123(a), all meetings of a state body are open and public, and all persons are permitted to attend any meeting of a state body, except as otherwise provided in that article. The section further states that the portion of the teleconferenced meeting that is required to be open to the public must be audible to the public at the location specified in the notice of the meeting. The Commission may take action on any item listed on this agenda.

### **Welcome**

Richard C. Miadich, Chair

### **Public Comment**

- 1. Public Comment for Items not on Agenda.** During this comment period, any person is invited to speak on any topic that is not listed on this agenda. Action may not be taken on any matter raised during this public comment period until the matter is specifically listed on a future agenda. Those who wish to comment on an item that has been listed on this agenda may comment when that item has been opened for consideration by the Commission and before any action is taken.

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<sup>1</sup>You can obtain further information about the meeting by contacting the Commission Assistant, 1102 Q Street, Suite 3000, Sacramento, CA, 95811, Tel. (916) 322-5745. Written comments on agenda items should be submitted to the Commission no later than 12:00 p.m. the day before the meeting in order to afford the Commissioners adequate time to fully consider the comments. Email comment letters directly to [CommAsst@fppc.ca.gov](mailto:CommAsst@fppc.ca.gov). To participate in real time, visit <http://mediasite.fppc.ca.gov/>.

The agenda and related documents are posted on the FPPC website at [www.fppc.ca.gov](http://www.fppc.ca.gov). Materials submitted by the public regarding each agenda item will be made available on the website.

Members of the public may listen to the meeting by phone by calling (877) 411-9748; access code 723284; or watch the meeting via Webinar at [YouTube](#).

The meeting location is accessible to the disabled. Persons who, due to a disability, need assistance in order to participate in this meeting should, prior to the meeting, contact the Commission Assistant at (916) 322-5745 (voice), [CommAsst@fppc.ca.gov](mailto:CommAsst@fppc.ca.gov) (e-mail) and [ADACoordinator@fppc.ca.gov](mailto:ADACoordinator@fppc.ca.gov). TTY/TDD and Speech-to-Speech users may dial 7-1-1 for the California Relay Service to submit comments on an agenda item or to request special accommodations for persons with disabilities. Please allow three business days between the request and the meeting date.

## **Approval of Commission Minutes**

### **2. Approval of January 2020 Commission Hearing Minutes.**

## **Enforcement Consent Calendar 3-12**

Items on the consent calendar will be taken up and voted on as a group. A Commissioner may request that an item be removed from consent, in which case it will be discussed separately in the meeting.

## **Advertisements and Campaign Bank Account**

- 3. In the Matter of Anthony Araiza for West Valley Water District 2017 and Anthony Araiza, FPPC No. 17/1218.** Staff: Theresa Gilbertson, Commission Counsel and Roone Petersen, Special Investigator. The respondent was represented by Barry Groveman of Groveman Hiete LLP. Anthony Araiza was an unsuccessful candidate for West Valley Water District Board during a local consolidated election held on November 7, 2017. Anthony Araiza for West Valley Water District 2017 was his candidate-controlled committee. The Committee and Araiza distributed two mass mailings without disclosing the Committee as the true sender, in violation of Government Code Section 84305 (2 counts). The Committee and Araiza also failed to deposit a personal contribution and failed to make an expenditure from the designated campaign bank account, in violation of Government Code Section 85201 (1 count). **Total Proposed Penalty: \$14,500.**

## **Advertisements and Campaign Late Reporter**

- 4. In the Matter of Glendale Voters for Good Government, Supporting Najarian for City Council 2017, Shawnda Deane, and Daniel Brumer; FPPC No. 17/1470.** Staff: Theresa Gilbertson, Commission Counsel and Marshall Miller, Special Investigator. The respondent Shawnda Deane was represented by Nick Warshaw of Olson Remcho. Glendale Voters for Good Government, Supporting Najarian for City Council 2017 was a local primarily formed committee, sponsored by Southland Transit, Inc., supporting Ara Najarian for Glendale City Council in the April 4, 2017 Municipal Election. Shawnda Deane was the Committee's treasurer and Daniel Brumer was the Committee's principal officer. The Committee and Deane failed to timely report expenditures on a 24-Hour Report, in violation of Government Code Section 84204 (1 count), and failed to identify the sponsor in the disclosure statement on mass mailings sent prior to the election, in violation of Government Code Section 84106 and 84305, subdivisions (a) and (b) (1 count). **Total Proposed Penalty: \$5,000.**

## **Campaign Late Filer**

- 5. In the Matter of Campaign for Kids – Yes on Measure I and Ruben Frutos; FPPC No. 17/281.** Staff: Ruth Yang, Commission Counsel. Campaign for Kids – Yes on Measure I was a local primarily formed committee that supported the passage of Measure I, a bond measure for the Paramount Unified School District. Ruben Frutos was the Committee's treasurer. The Committee and Frutos failed to timely file a pre-election and semiannual campaign statement, in violation of Government Code Sections 84200, 84200.5, subdivision (a), and 84200.8 (1 count), and failed to timely file seventeen 24-Hour Reports, in violation of Government Code Sections 84203 and 84204 (1 count). **Total Proposed Penalty: \$7,000.**

6. **In the Matter of Dan Medina for Gardena Mayor 2017, Dan Medina, and Susana Weltz Medina; FPPC No. 15/2256.** Staff: Theresa Gilbertson, Commission Counsel and Roone Petersen, Special Investigator. Dan Medina was an unsuccessful candidate for Mayor of Gardena in the March 7, 2017 Mayoral Election. Dan Medina for Gardena Mayor 2017 was his candidate-controlled committee. Susana Weltz Medina was the Committee's treasurer. The Committee, Medina, and Weltz Medina failed to timely file three semiannual campaign statements and a pre-election campaign statement, in violation of Government Code Sections 84200 and 84200.5 (1 count). The Committee, Medina, and Weltz Medina also failed to timely file seven 24-Hour Reports, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$4,000.**
7. **In the Matter of Xilonin Cruz-Gonzalez for School Board 2013, Xilonin Cruz-Gonzalez, and IxChel Cruz-Gonzalez; FPPC No. 17/268.** Staff: Ruth Yang, Commission Counsel. Xilonin Cruz-Gonzalez has been elected into office as a member of the Azusa Unified School District's Board of Education since 2001, and currently serves as the President of the Board. Xilonin Cruz-Gonzalez for School Board 2013 was her candidate-controlled committee. IxChel Cruz-Gonzalez was the Committee's treasurer. The Committee, Xilonin Cruz-Gonzalez, and IxChel Cruz-Gonzalez failed to timely file two semiannual campaign statements, in violation of Government Code section 84200 (2 counts). **Total Proposed Penalty: \$2,000.**
8. **In the Matter of Timothy Miguel for Salinas Valley Memorial Healthcare System Zone 5 2018, Timothy Miguel, and Ivan Ibarra; FPPC No. 19/514.** Staff: Jenna C. Rinehart, Commission Counsel. Timothy Miguel was an unsuccessful candidate for Director of Zone 5 for Salinas Valley Memorial Healthcare System in the November 6, 2018 General Election. Timothy Miguel for Salinas Valley Memorial Healthcare System Zone 5 2018 was his candidate-controlled committee. Ivan Ibarra is the Committee's treasurer. The Committee, Miguel, and Ibarra failed to timely file a 24-Hour Report, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$1,500.**

#### **Campaign Late Filer and Late Reporter**

9. **In the Matter of Standing Committee on Political Education of the California Labor Federation, AFL-CIO and Art Pulaski; FPPC No. 18/145.** Staff: Theresa Gilbertson, Commission Counsel and Paul Rasey, Special Investigator. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. The respondents were represented by Emily Andrews of Olson Remcho, LLP. Standing Committee on Political Education of the California Labor Federation, AFL-CIO is a sponsored state general purpose committee. Art Pulaski is the Committee's treasurer. The Committee and Pulaski failed to timely file three 24-Hour Reports, in violation of Section 84203 (1 count); failed to disclose an accurate cash balance on five campaign statements, in violation of Government Code Section 84211, subdivision (e) (1 count); and failed to report contributions on two campaign statements, in violation of Government Code Section 84211, subdivisions (a), (c), (d), (e), and (f) (1 count). **Total Proposed Penalty: \$8,500.**
10. **In the Matter of Scott Kwong for San Marino City Council 2015 and Scott Kwong; FPPC No. 16/760.** Staff: Michael W. Hamilton, Commission Counsel and Garrett Micheels, Special Investigator. Scott Kwong was an unsuccessful candidate for San Marino City Council in the November 3, 2015 General Election. Scott Kwong for San Marino City

Council 2015 was his candidate-controlled committee. The Committee and Kwong failed to timely file nine 24-Hour Reports, in violation of Government Code Section 84203 (2 counts) and failed to timely and correctly report expenditures, in violation of Government Code Section 84211 (1 count). **Total Proposed Penalty: \$5,000.**

- 11. In the Matter of Family Farmers Working for a Better California, Sponsored by Western Growers Association, Matt McInerney, and Ward Kennedy; FPPC No. 19/699.** Staff: Christopher Burton, Senior Commission Counsel and Lance Hachigian, Special Investigator. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Family Farmers Working for a Better California, Sponsored by Western Growers Association is a sponsored state general purpose committee. Ward Kennedy was the Committee's treasurer and Matt McInerney was the Committee's principal officer at the time of these violations. The Committee, McInerney, and Kennedy failed to timely report contributions on a 24-Hour Report, in violation of Government Code Section 84204, subdivision (b) (1 count) and failed to timely report subvendor payments on a semiannual campaign statement, in violation of Government Code Sections 84303 and 84211 (1 count). **Total Proposed Penalty: \$3,500.**

#### **Statement of Economic Interests Late Reporter**

- 12. In the Matter of James Larry Minor; FPPC No. 16/697.** Staff: Angela Brereton, Assistant Chief Counsel and Lance Hachigian, Special Investigator. James Larry Minor, a board member for Lake Hemet Municipal Water District and Valley-Wide Recreation and Park District, failed to fully disclose interests in real property on his 2015, 2016 and 2017 Annual Statements of Economic Interest under both districts, as well as on his 2018 Annual for the Water District, and on his Leaving Office for the Park District, in violation of Government Code Sections 87206 and 87207 (8 counts). **Total Proposed Penalty: \$16,000.**

#### **Notice of Intent to Present Default Decision and Order at the March Commission Meeting**

- 13. In the Matter of Wyman for Attorney General 2014 and James M. O'Hearn; FPPC No. 17/378.** Staff: Christopher Burton, Senior Commission Counsel and George Aradi, Special Investigator. Phillip D. Wyman was an unsuccessful candidate for California Attorney General in the June 3, 2014 Primary Election. Wyman for Attorney General 2014 is his candidate-controlled committee. James M. O'Hearn is the Committee's treasurer. The Committee and O'Hearn failed to meet the recordkeeping requirements of the Act, in violation of Government Code Section 84104 and Regulation 18401 (1 count); failed to timely report certain subvendor payments on a campaign statement, in violation of Government Code Sections 84303 and 84211, subdivision (k)(6) (1 count); failed to timely file two semiannual campaign statements, in violation of Section 84200, subdivision (a) (1 count); and failed to timely file two 24-Hour Reports, in violation of Government Code Section 84203 (1 count). **Total Proposed Penalty: \$15,000.**
- 14. In the Matter of Corso for Council 2014, Taxpayers for Oceanside Neighborhoods, and Dana Corso; FPPC No. 15/245.** Staff: Michael W. Hamilton, Commission Counsel and Bob Perna, Program Specialist. Dana Corso was an unsuccessful candidate for Oceanside City Council in the November 4, 2014 General Election. Taxpayers for Oceanside Neighborhoods was a local general purpose committee also controlled by Corso. With regards to Taxpayers for Oceanside Neighborhoods, Corso failed to timely amend the

Committee's statement of organization to include her last name in the name of the Committee, the office being sought, and the year of the election, in violation of Government Code Section 84103 (1 count); failed to timely file three semiannual campaign statements, in violation of Government Code Section 84200 (3 counts); and failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts). Corso for Council 2014 and Corso failed to timely file a semiannual campaign statement, in violation of Government Code Section 84200 (1 count); failed to timely file a pre-election campaign statement, in violation of Government Code Section 84200.5 (1 count); failed to timely file three 24-Hour Reports, in violation of Government Code Sections 84203 and 84203.3 (3 counts); and failed to timely report contributions during the reporting period ending September 30, 2014, in violation of Government Code Section 84211 (1 count). **Total Proposed Penalty: \$15,500.**

### **General Items 15-26**

- 15. Prenotice Discussion of Proposed Adoption of Regulation 18310.1 – Public Participation at Meetings.** Staff: Dave Bainbridge, General Counsel; and Kevin Cornwall, Commission Counsel, Legal Division. Proposed adoption of Regulation 18310.1, which would revise and codify the public participation policies adopted by the Commission in September and October 2019. The proposed regulation is presented for discussion and direction from the Commission, and will be presented for adoption at a subsequent meeting.

#### **Staff Memo**

##### **Proposed Adoption of Regulation 18310.1**

- 16. Prenotice Discussion of Proposed Amendments to Regulation 18531; Return of Excessive Contributions.** Staff: Dave Bainbridge, General Counsel and Katelyn Greene, Commission Counsel, Legal Division. Staff proposes amendments to Regulation 18531, Return of Excessive Contributions to allow for a time period in which a contribution received that is over the applicable contribution limit may be returned after the contribution has been deposited, with limitations. The proposed amendments and regulation language are presented for discussion and direction by the Commission. The regulations will be presented for adoption at a subsequent meeting.

#### **Staff Memo**

##### **Proposed Amendments to Regulation 18531**

- 17. Memo Regarding Limited Liability Companies; Prenotice Discussion of Proposed Regulations 18402.2 and 18421.10.** Staff: Dave Bainbridge, General Counsel; Toren Lewis, Commission Counsel, Legal Division; and Phillip Ung, Director, Legislative and External Affairs. Staff will provide information regarding the lack of meaningful disclosure of political activity by limited liability companies (LLCs) participating in the political process in California, including regulatory action for the Commission to consider to address this problem, as well as possible legislative action. The proposed regulations are presented for discussion by the Commission and maybe presented for adoption at a subsequent meeting.

#### **Staff Memo**

##### **Proposed Adoption of Regulation 18402.2**

##### **Proposed Adoption of Regulation 18421.10**

**18. Update on Digital Transparency Task Force.** Chair Miadich and Commissioner Hayward.

**19. Second Quarterly Expenditure Report.** Staff: Loressa Hon, Chief of Administration.

**20. Legislative Development.** Staff: Phillip Ung, Director, Legislative and External Affairs. The Commission will review and discuss memorandums provided by the Legislative Director on Commission sponsored legislation and other PRA related legislation, if any. The Commission may provide direction on sponsored legislation and other PRA related legislation. The Commission may direct staff to amend bill proposals and provide additional updates.

### **Legislative Update**

**21. Commissioner Manual and Code of Conduct Update.** Staff: Dave Bainbridge, General Counsel; John Feser, Senior Counsel; and Kevin Cornwall, Commission Counsel, Legal Division. Presentation of policy language requested by the Commission at the December 2019 Commission meeting, to be implemented into a Commissioner Code of Conduct.

### **Staff Memo**

**22. Committee Updates.**

#### **Law and Policy Committee Update.**

**Creation of new committies.** The Commission may discuss and take action to create two new advisory committees to advise the Commission on 1) litigation matters and, 2) technology, public outreach, and education matters.

**23. Advice Letter Report and Commission Review.** Staff: Dave Bainbridge, General Counsel and Brian Lau, Assistant General Counsel. The Commission may review and discuss advice letters that have been issued since the January Executive Staff Report. The Commission may act to withdraw the advice provided.

### **Advice Letter Report**

**24. Executive Staff Reports.**

Enforcement Division. Galena West, Chief of Enforcement

Legal Division. David Bainbridge, General Counsel

Administration & Technology Division, Loressa Hon, Chief of Administration

Executive Director Update, Thomas Jones

### **Executive Staff Report**

**25. Closed Session. Pending Litigation (Gov. Code § 11126(e)(1)).** Request for approval of agreement to settle pending litigation.

**26. Commissioner Comments and Proposed Future Agenda Items.**

Note: Although any Commissioner may identify a topic of interest, the Commission may not substantially discuss or take action on any matter raised during the meeting that is not

included on this agenda, except to decide to place the matter on the agenda of a future meeting. (Government Code Sections 11125 & 11125.7(a).)